Inside:

If you have questions or comments on any information contained in The Connection, *please contact Angela Knight at (360) 664-7654 or angela.knight@ofm.wa.gov.*

Travel Policy Update

Chapter 10, Travel of the *State Administrative and Accounting Manual* (SAAM) reflects the new rate for privately owned vehicles set by the United States Treasury Department as allowed by RCW 43.03.060. The rate effective January 1, 2005, is $.405, an increase from $.375.

If you have questions on this revision, please contact Andrea Brown at Andrea.Brown@ofm.wa.gov / (360) 664-7773 or the Accounting Consultant assigned to your agency.

The complete text of SAAM is found at www.ofm.wa.gov/accounting/policies.htm.

Agencies Prioritize Their Business Problems for the *Roadmap*

Over the past few months, the *Roadmap* team worked with the Agency Advisory Group to identify and define the common "back office" business problems and opportunities agencies face. You can see full descriptions of the 15 business problem statements on the *Roadmap* website at: Roadmap common business problem statements.

Background Information

In November, agencies were invited to prioritize their most critical business problems through an on-line survey. Thirty-nine agencies participated, plus OFM's Small Agency Client Services (SACS) submitted one combined response for 38 additional small agencies. Over 91% of the agencies invited to take the survey responded.

The results were analyzed from several different perspectives and presented to the *Roadmap* Advisory Group on November 29th. In addition to the summarized results that begin on Page 6, you can find detailed results on the *Roadmap* website: http://www.ofm.wa.gov/_test/roadmap/survey.htm.

Accounting Division

OFFICE OF FINANCIAL MANAGEMENT

Comments from the Assistant Director

Inspiration…

Sadie Rodriguez-Hawkins

Thank you!

We really appreciate the time and effort agencies devoted to preparing and submitting their responses to the *Roadmap* prioritization survey. The ratings and comments provide a valuable insight into agency priorities and concerns. This level of continued agency interest and participation is key to creating a *Roadmap* that will deliver the fundamental policy, process, and system improvements we all need to do our jobs.

As yet another year comes to a close, I pause and quietly ponder the events that have transpired and moved us to a different place than we were in the beginning of 2004. My reflections lead me to probe a little more deeply into that which instigated the change.

Anne Wilson Schaef says, "*Sometimes we forget that to do our work well, whatever it is, we must have inspiration. This is true of any work, no matter how menial it may seem. Inspiration is the gentle listening to the wisdom of our inner being…it comes when it wishes and not on demand. Like any process, we cannot force it. We must wait for it.*

How sad that we have relegated inspiration to poets, artists, and writers! How sad that we cannot see that good child rearing requires inspiration, that good management requires inspiration, regardless of the task. When we take away the possibility of our own inspiration, we relegate ourselves to a tedious existence. Inspiration adds spice and zest to our lives and allows them to be lives, not existence."

In reading her words, I recognized periods in this past year when I elected to live and others when I sought to simply exist. In truth, I have accepted that living requires that we allow a greater element of risk and trust into our lives. Living also requires that we follow up on the moments of inspiration that come in our lives slowly and quietly.

It is important that we be open to the moments of inspiration that descend upon us when we least expect them. It is at these times that we get to choose whether or not we will act upon the stimulation of our minds that leads to a higher level of activity and prompts action or invention.

You may be asking, "What does this have to do with our workplace? How is inspiration manifested in state government?" My response would be that great examples of inspiration could include the *Priorities of Government*, the *Roadmap*, and our cumulative efforts in bringing the results of the *Public Service Reform Act* into our work environments. Each and every one of these efforts required that someone listen to the wisdom of their inner being and act upon it. What moments of inspiration have you acted on lately?

May 2005 bless you with sound health, work that is engaging, supportive co-workers, and great moments of inspiration that allow you to live and not merely exist. Happy New Year!

"Inspiration comes very slowly and quietly."
Brenda Ueland

Latest Audit Resolution Report – Available for On-Line Viewing

The *Audit Resolution Report* was issued to the Legislature in December 2004.

This report summarizes the resolution status of 73 audit exceptions for 27 agencies issued by the State Auditor's Office from December 2003 through November 2004.

The exceptions noted in the Statewide Accountability Report, Higher Education System Report and special audit reports are included.

We invite you to view the *Audit Resolution Report* at http://www.ofm.wa.gov/reports/reports.htm.

If you have any questions, please contact the Accounting Consultant assigned to your agency.

CAFR 2004 is Published

In December, Statewide Accounting published the state's Fiscal Year 2004 *Comprehensive Annual Financial Report* (CAFR).

As we continue to reduce the number of printed copies, we invite you to view the online version available at http://www.ofm.wa.gov/accounting/financial.htm.

An effort of this size would not be possible without the dedication and hard work of many here at OFM, as well as fiscal personnel throughout the state.

Thanks to all of you for your contributions throughout the year and during the fiscal year closing process.

If you have any questions or comments, please contact Wendy Jarrett at wendy.jarrett@ofm.wa.gov / (360) 664-7675.

3rd Party Payroll Payments in AFRS

During the last six months, OFM's Statewide Financial Systems and Statewide Accounting staff have worked with DOP staff in support of the new Human Resource Management System (HRMS) that will be implemented in 2005.

OFM will take responsibility for the production of *third party payroll payments*. These are payments generated based on employee payroll deductions and include withholding, social security and Medicare taxes; union dues; employee parking fees; garnishment payments and others. It does **not** include employee paychecks, which will be generated by HRMS.

Each payroll vendor will be established as a statewide vendor (SWV) in AFRS, and the SWV number will link to the appropriate deduction code in HRMS. Vendor enrollment began in early December.

This change in the origin of payments will affect both payroll and fiscal staff. Payroll staff will handle fewer third party payments. Fiscal staff will see the third party transactions and payments on their regular daily AFRS reports.

More information on the impact of fiscal staff will be provided in the upcoming AFRS New Features Demonstration classes in February. To register, please visit our website at http://www.ofm.wa.gov/training.htm.

If you have any questions, please contact Mike Contris at mike.contris@ofm.wa.gov / (360) 664-7667 or Cheryl Hainje at cheryl.hainje@ofm.wa.gov / (360) 664-7691.
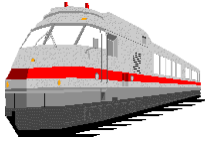
The FASTRACK Upgrade is Almost Here!

Enterprise Reporting is underway with its FASTRACK upgrade from Seagate Info (SI) 7.5 to Crystal Enterprise (CE) 10 Professional version. Migration for all existing FASTRACK customers will begin February 2005, with the full implementation in the new CE10 reporting environment by May 31, 2005.

The migration to CE10 meets the technical requirements for scalability with additional growth, and benefits the users with better performance and higher reliability. The most significant changes of this upgrade are in the user interface, which has a different "look and feel." All existing reports in FASTRACK will remain the same but will need to be converted to the new CE10 version.

There are a few features available in SI 7.5 that will require some workarounds in CE10. Customizations have been developed in CE10 to incorporate some new functionality as well as improve existing functionality for ease of use. A few examples of the features in CE10 are:

- ■ Ability to schedule reports using the AFRS Closing Calendar
- ■ Ability to reschedule new reports from an existing report
- ■ Ability to delete more than one report at a time
- ■ Ability to deliver reports via email

The Enterprise Reporting Team conducted demonstrations to show the CE10 system to various stakeholders. The team will work with agencies to determine the best migration strategy to move their customers to the new CE10 reporting environment.

Beta testing will be conducted in January 2005 with a small group of customers (30 to 50 representatives from various agencies). The objective of this beta testing is to learn about the system performance and other potential issues so necessary actions can be taken to better prepare for the rollouts starting in February 2005.

Refresher Training and a *Quick Reference Guide* with step-by-step instructions will help customers transitioning to the new reporting environment. Refresher Training sessions begin in late January or February 2005, and they are available for on-line registration via the OFM Training website at http://www.ofm.wa.gov/training.htm.   For more information about the upgrade or migration, please contact Muoi Nguy, at muoi.nguy@ofm.wa.gov / (360) 664-7699.

Who's New In Accounting?

Michelle French
joined Statewide Financial Systems on October 28, 2004, as the Communications Coordinator for the *Roadmap* program. Aside from her major responsibility of supporting the Enterprise Planning team, she also assists with systems approval requests and Gartner research.

Michelle is a proud graduate of Washington State University, where she earned her Bachelor's degree in Education. She worked as a local substitute teacher for several months before exploring career alternatives. Last summer, Michelle accepted a temporary position with OFM, Division of Risk Management, where she discovered a strong, personal interest in state government. Michelle has plans to earn her MPA in the near future. She spends her free time enjoying community entertainment and arts, reading, writing children's books, making greeting cards, and getting her car fixed. Michelle can be reached at michelle.french@ofm.wa.gov / (360) 664-7682.

Roadmap is Needed to Solve Today's Business Problems

The *Roadmap* business case summary was unveiled by Dye Management Group at the December 15 Advisory Group meeting. The report acknowledges the state's administrative successes such as development of innovative budget processes and award winning financial management. It then presents the continuing challenges we face today with shrinking budgets; ever increasing demands for information, accountability, and improved service levels; antiquated tools and outdated policies; and a proliferation of duplicative agency administrative systems. Anticipated benefits from the *Roadmap* program were categorized into four business value areas:

- Better information, better results

- More economical government

- Better business relationships

- Optimized return on investment

In addition to strong intangible value derived from better information to inform policy decisions, the report identifies three areas with the highest potential for tangible benefits:

Priorities of Government, Team 11

Key Result: Strengthen government's ability to achieve its results efficiently and effectively

Guiding Principles:
1. Get Results, Get the Job Done
2. Customer-Centered
3. Risk-Appropriate and Value-Added
4. Enterprise Solution

- The procure-to-pay business cycle, including strategic sourcing, improved consumable inventory management, and streamlined processing

- Consolidation of duplicative financial and administrative information systems

- Increased investment revenue through improved forecasting of cash needs

The report concludes that better policies, information, processes, and tools are needed to solve today's business problems. (See related article on page 6 describing agency survey results). The *Roadmap* approach, combined with an effective program for measuring and tracking actual benefits, will offer significant value and the types of improvements the public expects from government.

The next milestone in the roadmap project will be to lay out recommended solutions that overcome the business problems and achieve the benefits. It is anticipated that the solution will consist of groups of related policy, process and system improvements that are implemented in "bite size" increments over time.

Who's Moved In Accounting?

Doug Beam

joined the BASS team as the new Assistant Project Manager on November 22, 2004. Doug brings both his technical experience and sound fundamental project management skills with him to the BASS team. Doug has been with OFM since August 2001. Prior to joining the BASS team, Doug worked as the lead developer for the Accounting/ Web Applications where he recently managed the Disclosure Forms project.

This project was kept on track and on schedule because of Doug's diligent use of good project management practices and tools. The BASS team is excited to have him on board. Doug can be reached at doug.beam@ofm.wa.gov / (360) 725-5173.

Kent Andrus

is the new Application Development Coordinator for the Accounting Web Project team, replacing Doug Beam. He is now responsible for the technical aspects of the Travel Voucher System (TVS), Financial Tool Box (FTbx), Accounts Receivable (AR), and CAFR Disclosure Forms applications.

For the last 3 ½ years, Kent has been involved as a technical lead on our Budgeting Team (BASS) working on the Salary Projection System and other budgeting applications. Kent can be reached at kent.andrus@ofm.wa.gov / (360) 664-7767.

Agencies Prioritize . . . .

The color key (below) was used to help identify each of the six *Roadmap* business cycles.

Procure-to-pay cycle **A1**: Optimize purchasing power (strategic sourcing) **A2**: Put cash in bank, not on shelf (consumable inventory) **A3**: Streamline procure-to-pay	**Reporting/General ledger** **B1**: Organize data to support all perspectives (chart of accounts) **B2**: Improve access to information (reporting tools)
Cost accounting cycle **C1**: Enable data driven decisions (cost accounting) **C2**: Protect federal & local funding	**Invoice-to-cash cycle** **D1**: Make it easy for customers to pay **D2**: Increase investment revenues **D3**: Streamline invoice-to-cash
Budgeting cycle **E1**: Streamline and integrate the budget cycle **E2**: Empower managers with tools to aid decision-making (measuring performance results) **E3**: Provide flexibility for innovative budgeting	**Capital asset management cycle** **F1**: Maximize return on capital assets **F2**: Improve accountability for assets

Figure 1 – *Roadmap* Business Cycles & Problem Statements - color key to survey results

Rankings and Ratings

Agencies were asked to rate the urgency, severity, and intangible business value of each of the 15 business problem statements and also to rank them from most to least important. Figure 2 shows these ranking and rating results from four different views of the survey responses. The top seven priorities are shown for each view. In each case the results are sorted from highest priority (top of chart) to lowest.

	Forced Ranking		Urgency Priority		Severity		Intangible Value
1	B2: Improve access to information		E1		C1		B2
2	E1: Streamline budget		C1		E2		E1
3	B1: Organize data to support all perspectives		E2		E1		E2
4	C1: Enable data driven decisions		B2		B2		B1
5	A3: Streamline procure-to-pay		D3		B1		A3
6	E2: Empower managers with decision tools		D1		A3		C1
7	D3: Streamline invoice-to-cash		B1		F2		F2

Figure 2 – *Roadmap* Prioritization Survey top 7 results for forced ranking, urgency, severity, and intangible value.

Agencies Prioritize . . . .

The same four to six business problems generally dominated the top end of the chart from all four perspectives:

> B2: Improve access to meaningful information (reporting tools and data)
> E1: Streamline and integrate budget cycle
> B1: Organize data to support all relevant business perspectives (chart of accounts)
> C1: Enable data-driven decisions (cost accounting)
> A3: Streamline procure-to-pay
> E2: Empower managers with tools to aid decision-making (measuring performance results)

We also noted that agencies with significant proprietary or fee-based operations had a higher than average interest in chart of account, reporting tool, and cost accounting improvements. Similarly, agencies with significant revenues had a higher than average interest in improving the invoice-to-pay business cycle.

Agencies with significant capital assets and consumable inventories gave higher priority to streamlining the procure-to-pay cycle and the capital asset business cycle. Grant/contract agencies were the strongest advocates for protection of federal funding.

Here is a brief description of what each column represents and how the results were weighed for the purpose of determining priority order:

- The **Forced Ranking** column is sorted by the average ranking assigned when agencies prioritized the 15 business problem statements from most important to least. All agencies were given equal weight in averaging the results.

- The **Urgency** column is sorted by the average urgency agencies assigned to the 15 business problems, with "Must have within 1 to 2 years"' receiving the most weight and "Can wait 4 or more years" and "Not Applicable" both receiving zero weight.

- The **Severity** column results are sorted by the average risk agencies assigned, from high risk (weighted as 2) to low risk (weighted as 0).

- Respondents rated the potential **Intangible Value** to their agencies of solving the business problem on a scale ranging from significant value (weighted as 3) to no value (weighted as 0). The five categories for intangible value were:
  - Improved accountability
  - Better decisions
  - Improved economies of scale
  - Improved service levels
  - Streamlined business processes

Urgent Business Needs

Agencies were asked to describe the reason for high urgency if they indicated a business problem must be solved within the next one to two years. A total of 68 highly urgent business needs were described, with at least one for each of the 15 business problem statements.

Eleven agencies reported urgent needs for improved cost accounting functionality and seven each in streamlining the budget cycle, expanded chart of accounts, and better reporting tools. Agencies cited aging internal systems and increasing customer expectations as the primary business drivers in these areas.

Agencies Prioritize . . . .

Additional Business Problems

The survey provided the opportunity for agencies to report additional business problems that may be common to all agencies. This input is being used to expand and strengthen the current 15 common business problem and opportunity statements. Click on *Roadmap common business problem statements* to see the latest version.

Inventory of Agency Systems and Desktop Tools

According to the survey, more than 200 agency-unique systems are being used to support the six *Roadmap* business cycles (after removal of duplicated and out-of-scope systems).

In addition, agencies maintain over 20,000 spreadsheets and databases to provide supplemental functionality.

Advisory Group members agreed that dependence on desktop tools represents a high risk to agencies because data or functionality can easily be lost.

Advice to the Team

In their advice to the *Roadmap* project team, several respondents urged continued inclusiveness to ensure adequate provision for unique agency business needs.

Agencies were also concerned about the impact of *Roadmap* implementation on funding and workload. In general, agencies were very supportive of the project and the process being used to develop the *Roadmap*.

Next Steps

The executive sponsors will use the survey results as one data point for their decisions on how best to implement the *Roadmap*. Other major considerations include tangible business value, alignment with state strategic initiatives, logical sequencing, cost, and recommendations from the Agency Advisory Group.

The survey results will be incorporated into the *Roadmap* Feasibility Study being developed by the Dye Management Group.

2005

Have a Safe and Happy New Year!